STATE OF VERMONT, DEPARTMENT OF VERMONT HEALTH ACCESS   CONTRACT #8430A
CONTRACT FOR PERSONAL SERVICES   AMENDMENT # 16
HP ENTERPRISE SERVICES, LLC   PAGE 1 OF 8

AMENDMENT

It is hereby agreed by and between the State of Vermont, Agency of Human Services, Department of Vermont Health Access (hereafter referred to as the "State" or the "Department") and HP Enterprise Services, LLC, a Delaware limited liability company (hereafter referred to as the "Contractor") that the Title XIX Medicaid Contract for operation of the Vermont Medicaid Management Information System (MMIS), entered into January 01, 2004 (hereafter referred to as the "Contract"), is hereby amended effective upon execution by the State, as follows:

1. **Replace in Amendment # 15 on page 1 of 39, Item #1 with the following:**

   5. Maximum amount: The State agrees to pay Contractor pursuant to the payment provisions specified in Attachment B, a sum not to exceed $159,868,355.59.

2. **By adding Attachment F Part IX Narrative and Price Proposal dated March 4, 2016, which is included as an attachment of this amendment on page 2.**

This amendment consists of 8 pages. Except as modified by this amendment and any previous Amendments, all provisions of this contract (#8430A), dated January 1, 2004, shall remain unchanged and in full force and effect.

WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT.

BY THE STATE OF VERMONT: **BY THE CONTRACTOR:**

STEVEN COSTANTINO, COMMISSIONER DATE	CHERIE BERGERON, ACCOUNT EXECUTIVE , DATE
	HP ENTERPRISE SERVICES, LLC
NOB 1 South, 280 State Drive	**312 Hurricane Lane**
Waterbury, VT 05671	**Williston, VT 05495**
Steven.costantino@vermont.gov	cherie.bergeron@hpe.com
802-241-0246	**802-857-2934**

STATE OF VERMONT, DEPARTMENT OF VERMONT HEALTH ACCESS
CONTRACT FOR PERSONAL SERVICES
HP ENTERPRISE SERVICES, LLC

CONTRACT #8430A
AMENDMENT # 16
PAGE 2 OF 8

Attachment F, Part IX

MMIS All Payer Model (APM) Project

Vermont is adopting Medicaid payment reform, in alignment with the Centers for Medicare and Medicaid Services' (CMS) Next Generation Accountable Care Organization (ACO) Model for Medicare. Vermont's current Medicaid Management Information System (MMIS) claims processing application is supported by the Contractor, and will be modified and configured to support capitated payments, necessary reporting, and the reconciliation process to one or more Vermont ACO(s) that are yet to be determined. The following Scope and Project Deliverables section describes work that is contingent upon the State's successful selection of ACO(s).

<u>**Scope and Project Deliverables**</u>

The Contractor will provide Analysis and Design, Software Development, and Functional and Integration Testing in Sections I – V and Section IX, as well as perform the following activities and deliverables under this agreement:

<u>Section I: MMIS Configuration for ACO Program</u>

1) The Contractor will receive a monthly roster of Vermont Medicaid enrolled providers affiliated with the ACO(s) that will include the following information: Medicaid Provider Identification number, Tax Identification number, provider National Provider Identifier (NPI), and taxonomy for all participating providers.

2) The Contractor will receive an annual file containing the members who have been attributed to each ACO for the upcoming year and the Per Member Per Month (PMPM) rate for each member. Members currently enrolled in Medicare or commercial insurance, based on coverage types to be determined by the State, will not be included.

3) The Contractor will share member attribution information and member claims information with the ACO(s) for those persons attributed to the ACO(s). The Contractor shall make available member ACO enrollment history information. This scope assumes that each ACO will be required to provide covered services included in the PMPM capitation payment, at minimum to the Medicaid Coverage and limitation standards.

4) The covered services, the ACO member attribution file provided by the State, and each ACO provider affiliation file will be used to determine whether services are paid by the State through the Contractor or whether services will be paid by the ACO.

5) The Contractor will load and update the following files monthly: Provider affiliations with ACO(s), Member attributions to ACO(s), categories of service/benefits covered by ACO(s), and other criteria as required by the State.

6) Pricing:

Project Activity	Estimated Hours	Estimated Costs
Analysis and Design	74	$8,741.62
Software Development	505	$59,655.65

STATE OF VERMONT, DEPARTMENT OF VERMONT HEALTH ACCESS
CONTRACT FOR PERSONAL SERVICES
HP ENTERPRISE SERVICES, LLC

CONTRACT #8430A
AMENDMENT # 16
PAGE 3 OF 8

Functional and Integration Testing	178	$21,027.14
Total Section I:	757	**$89,424.41**

Section II: MMIS Claims Processing

1) The Contractor will continue to receive all Medicaid claims. All Medicaid claims will be processed and priced using the same edits, audits, and payment methodologies regardless of whether they are paid by the State or by the ACO(s). ACO claims will be priced and receive a "would have paid provider" (WHPP) amount, which will represent the allowed amount minus the copay that would have been paid by the Medicaid program. However, the Medicaid payment amount for services covered by the ACO for its members and provided by its' affiliated providers will always be zero. The Medicaid claims for services which are included in the ACO capitation payment for ACO members are the ACO's responsibility to pay, and are referred to as ACO zero-paid claims.

   A claim will be considered an ACO zero-paid claim only if it meets all of these conditions as of the date of service to the member:
   a) The member on the claim is attributed to the ACO; and
   b) The billing provider is affiliated with the ACO; and
   c) The service being billed is included in the services covered by the ACO.

   If it does not meet all of the above conditions, the claim will be processed as Fee for Service and payment will be made by the State directly to the provider. Adjustments to ACO zero-paid claims will follow the standard adjudication process and pay according to the rules of the new version of the claim. This may result in an adjusted claim changing from an ACO zero-paid claim to a Fee for Service paid State claim.

2) The Claims processing system will be modified to include an ACO Claim indicator, which will enable users to easily identify ACO Claims.

3) A specific Explanation of Benefits (EOB) code will be assigned to the claim details that will identify the reason for ACO zero-paid claims on the providers Remittance Advices (RA). The MMIS will store both the paid amount and the calculated "would have paid provider" (WHPP) for each ACO claim and claim detail. This field will be displayed in the MMIS online screen and will be available in reports and in the data analytics ad-hoc reporting tool.

4) Members with primary Medicare or commercial insurance primary, based on coverage types to be determined by the State, will be excluded from the initial ACO member attribution. Members who have been attributed to an ACO and gain Medicare or primary commercial insurance during the year will be identified and disenrolled by the Contractor from the ACO. The Claims processing system will track eligibility, coverage changes, and PMPM for attributed members.

5) The weekly and monthly Third Party Liability (TPL) Retro process that produces claim facsimiles for submission to other carriers will be modified to use the new WHPP amount on the facsimiles generated for claims processed by the MMIS as ACO zero-paid claims.

STATE OF VERMONT, DEPARTMENT OF VERMONT HEALTH ACCESS
CONTRACT FOR PERSONAL SERVICES
HP ENTERPRISE SERVICES, LLC

CONTRACT #8430A
AMENDMENT # 16
PAGE 4 OF 8

6) Pricing:

Project Activity	Estimated Hours	Estimated Costs
Analysis and Design	77	$9,096.01
Software Development	505	$59,655.65
Functional Testing	100	$11,813.00
Total Section II:	**682**	**$80,564.66**

Section III: MMIS Financial Payment Processing

1) The Contractor shall: generate monthly prospective payments to ACO(s) based on a rate per attributed member and based on member Medicaid eligibility; send payment details to ACO(s); receive provider payment information from ACO(s), track provider and member enrollments in the ACO(s); and reconcile all payments on an annual basis, including the capability to process a three-year transaction history.

2) The Contractor shall run a monthly MMIS financial process that generates prospective PMPM payments to the ACO(s). This will be based on the number of members attributed to each ACO and each member's rate assignment. Determination of the prospective payment for each member will be based on the following:

   a) Confirming member status (alive); and
   b) Member is Medicaid eligible for a portion of the prospective month, to be determined by the State; and
   c) Member does not have coverage under Medicare or commercial insurance for the prospective month; and
   d) Based on coverage types to be supplied to the Contractor by the State.

   If the attributed member does not meet these eligibility conditions, then no prospective PMPM payment for that member will be made for that month.

3) Each ACO will receive multiple files in support of payments. The Contractor shall generate a payment remittance file for the ACO(s) detailing the number of members for which payments have been made. The ACO(s) will also be provided with supporting member attribution details (in a separate or the same file) showing the reasons why payment has or has not occurred for each member for that month. The Contractor will also generate a file containing zero-paid claim data for both paid and denied zero paid claims that will be sent to the ACO(s) in a mutually agreed upon format. The Contractor shall also send the ACO(s) a file of Fee for Service paid claims for its attributed members where the claims did not fall within the scope of ACO covered services or the services were provided by a non-ACO provider.

4) Retroactive changes to member PMPM rate assignments will not occur. MMIS will no longer make the PCPlus PMPM and BluePrint payments for the ACO member population.

STATE OF VERMONT, DEPARTMENT OF VERMONT HEALTH ACCESS
CONTRACT FOR PERSONAL SERVICES
HP ENTERPRISE SERVICES, LLC

CONTRACT #8430A
AMENDMENT # 16
PAGE 5 OF 8

5) The MMIS will receive a file from the ACO(s) containing claim payment information made by the ACO(s) to the attributed providers in response to ACO zero-paid claims information sent from MMIS to the ACO(s). This file will be displayed in a new MMIS ACO payment data screen, and the State shall have access to this information. The Contractor shall create a mechanism to allow for tracking payment and/or denied reason information for every claim processed by the MMIS and paid by the ACO(s). The ACO(s) will also send a file to the Contractor for any payments made to ACO providers not included in the claims payment information file.

6) If a refund check is received from a provider for a claim that was paid zero to the ACO(s), the check will be returned to the provider. A PMPM payment to an ACO will not be voided. If action is necessary, for reasons such as acquisition of commercial insurance or Medicare, it will be addressed in a subsequent reconciliation process rather than via MMIS automation.

7) The Financial Balancing Report (FBR), CMS21, CMS64, and Incurred But Not Reported (IBNR) reports will be modified by the Contractor to include ACO payments where necessary.

8) Pricing:

Project Activity	Estimated Hours	Estimated Costs
Analysis and Design	124	$14,648.12
Software Development	860	$101,591.80
Functional and Integration Testing	162	$19,137.06
Total Section III:	**1,146**	**$135,376.98**

Section IV: MMIS Reporting

1) The Contractor shall update MMIS-generated reporting for State audit reporting, T-MSIS, and others as needed.

2) T-MSIS reporting to CMS will be modified by the Contractor as needed to distinguish ACO zero-paid claim data from FFS claim data. This may involve updates to the Managed Care T-MSIS file (pending CMS guidance).

3) The ACO zero-paid claims will be counted in with the Medicaid paid claims for MAPIR.

4) Based on current design, ACO zero-paid claims will be included in all current reports. Should those reports contain payment information, zero provider payments will be calculated (as no direct provider payments occurred).

5) No changes are required to the current Remittance Advice report.

6) A new EOB will be added to identify an ACO encounter zero paid and/or denied claim.

7) The cost reports (State Audit Reports) will be modified to include a column for the "would have paid" amount and the payment amount reported by the ACO.

8) Phase 1 will only include reporting modifications specified in this document.

9) Pricing:

Project Activity	Estimated Hours	Estimated Costs
Analysis and Design	70	$8,269.10
Software Development	430	$50,795.90
Functional and Integration Testing	85	$10,041.05
Total Section IV:	**585**	**$69,106.05**

Section V: Analytics (user-generated) Reporting

1) The Contractor shall update the configuration of analytic software data stores, universes, and underlying data structures for new ACO information. The Contractor shall update the data extract, transform, and load (ETL) processes, modify existing reports, and develop new reports. In addition, the Contractor shall provide training and updated documentation for Contractor and State staff.

2) The MMIS reporting data store and reporting tools will be reconfigured by the Contractor to enable reporting on ACO zero-paid and ACO denied claims. This will require changes to the data structure as well as updating configuration of reporting universes, unless it is determined that a more cost effective approach is available.

3) All queries that run against the current analytics data store are assumed to be impacted by these configuration changes. Some reports will be redesigned, where ACO 'would have paid provider' financial information needs to be included. New analytics reporting may be needed for surveillance and utilization purposes. The ETL processes with MMIS and other systems will be updated to account for changes in available data.

4) Pricing:

Project Activity	Estimated Hours	Estimated Costs
Analysis and Design	390	$46,070.70
Tools Configuration and Report Modifications and Development	1100	$129,943.00
Functional Testing	270	$31,895.10
Training, Documentation, and Support	250	$29,532.50
Total Section V:	**2,010**	**$237,441.30**

STATE OF VERMONT, DEPARTMENT OF VERMONT HEALTH ACCESS
CONTRACT FOR PERSONAL SERVICES
HP ENTERPRISE SERVICES, LLC

CONTRACT #8430A
AMENDMENT # 16
PAGE 7 OF 8

Section VI: Contractor Project Management
1) The Contractor shall provide project management support for All Payer systems project. The support shall involve organizing and facilitating the work of the Contractor's APM project team members. Project management responsibilities shall include the following: planning and scheduling project activities and work assignments; facilitating meetings and other project events; providing status reporting and other communications with State and Contractor leaders; escalating risks and issues; and performing other project management tasks in accordance with established PM best practices and methods such as PMI PMBOK and the Contractor's HPE EDGE Methodology.

2) Pricing:

Project Activity	Estimated Hours	Estimated Costs
Project Management	500	$59,065.00
Total Section VI:	**500**	**$59,065.00**

Section VII: Provider Outreach and ACO Support
1) The Contractor shall provide additional Provider outreach, documentation, and training during the transition to ACO payment model for special subject matter or population bases to be approved by the State.

2) Pricing:

Project Activity	Estimated Hours	Estimated Costs
Provider Outreach and ACO Support	140	$16,538.20
Total Section VII:	**140**	**$16,538.20**

Section VIII: Support for Operational Readiness
1) The Contractor shall support of operational readiness phase activities with the State that includes appropriate user acceptance testing, document preparation, and appropriate communications to support go-live.

2) Pricing:

Project Activity	Estimated Hours	Estimated Costs
Support for Operational Readiness	100	$11,813.00
Total Section VIII:	**100**	**$11,813.00**

Section IX: Project Contingency
1) State reserve for mitigating risks due to unknown requirements, including changes due to future contract negotiation with ACO. The use of hours under this Section IX shall require written approval by the State.

STATE OF VERMONT, DEPARTMENT OF VERMONT HEALTH ACCESS
CONTRACT FOR PERSONAL SERVICES
HP ENTERPRISE SERVICES, LLC

CONTRACT #8430A
AMENDMENT #16
PAGE 8 OF 8

2) Pricing:

Project Activity	Estimated Hours	Estimated Costs
Project Contingency	425	$50,205.25
Total Section IX:	**425**	**$50,205.25**

Payment

The hours and associated estimated costs provided above are estimates only. The Contractor will produce a monthly bill for the actual hours used each month, up to the maximum amount listed for each Section. The invoice shall include the hours used for each project activity listed above. The Contractor will be reimbursed at the modification hourly rate for additional CSR Hours as described in Section 11 as modified by Amendment 5 of this agreement. The estimates provided are based on the 2016 modification hourly rate of $118.13.